APPENDIX.

IMPORTANT RECOMMENDATIONS OF THE INSURANCE REORGANISATION COMMITTEE.

1. Change in the method of recruitment, promotion, departmental examinations, training to officers, etc., both in Gazetted and Non-gazetted cadre in the Insurance Department.

2. Introduction of new sections, *viz.*, Cash Section, Statistical Section, Intelligence Section, Special Section, re-grouping and opening of new sections, reviving branch offices, constituting a Managing Committee in addition to the existing Insurance Committee, etc.

3. Reorganisation of the Agency System.

4. Introduction of the Rural Insurance Scheme.

5. Triennial Valuation of the Assets of the Department with effect from 1st July 1948.

6. Extension of general insurance, in addition to the existing Motor Branch, to cover Fire Insurance, Agricultural and Cattle Insurance, Marine Insurance, Burglary Insurance, Railway Insurance, Health Insurance, Air Accident Insurance, etc.

7. Improving the existing system of propaganda and advertisement of the business of the Insurance Department.

8. Creation of a Staff Pension Fund.

9. Providing adequate accommodation in the main building at Bangalore.

10. Improving the technical aspects of work connected with automatic non-forfeiture scheme, lapses, types of policies, assignment and nominations, premium rates, surrender values and paid up policy rates, rates of interest on loans, etc., and expense ratios.

Issues instructions regarding the regulation of Travelling Allowance in respect of journeys by rail consequent on the abolition or curtailment of first class accommodation.

OFFICIAL MEMORANDUM.

O. M. No. FL. (B) 12330—C.R. 29-53-1, DATED BANGALORE, THE 7TH DECEMBER 1953.

Consequent on the decision of the Railway Ministry to abolish first class accommodation from more trains with effect from 1st October 1953, and introduction of air-conditioned coaches in certain trains, the following orders of Government in regard to travel by air-conditioned accommodation by Government servants are issued for their guidance :—

(*a*) A Government servant who is at present entitled to travel by first class, will, in the absence of first class accommodation on any particular train, have the option to travel by air-conditioned accommodation, by paying the difference between the fares for the air-conditioned and first class accommodation from his own pocket.

(*b*) The allowance for incidental expenses for Government servants in the above case will be as laid down in Article 478 of the Mysore Services Regulations.

N. MADHAVA RAO,
Secretary to Government,
Finance Department.

Rules for Compulsory Insurance of Motor Vehicles, purchased out of advance sanctioned by Government.

READ—

Government Order No. Fl. 2845-2994—G.F. 71-53-2, dated 2nd July 1953, directing the continuance of the maximum limits of advance in the case of motor cars and motor bicycles, as also the recovery of the advance so granted at 1/9th of the pay.

2. Letter No. 252—O.C.A.—D.H.I., dated 5th January 1953 from the Accountant General, suggesting the desirability of (1) of reducing the period of recovery suitably, or in the alternative, taking collateral security along with the mortgaging of the car to Government, and (2) of framing rules providing for the compulsory insurance of motor cars purchased, against loss by fire, theft or accident.

3. Unofficial Note No. M.B. 2295, dated 25th July 1953 from the Secretary, Mysore Government Insurance Department, furnishing his remarks in the matter.

ORDER No. FL. 5766-5916—G.F. 161-53-2, DATED BANGALORE, THE 8TH DECEMBER 1953.

After considering all aspects of the question, it is directed that the rules relating to grant of advance to Government servants for the purchase of motor cars and motor bicycles be modified as under :—

(1) No collateral security of another Government servant is necessary as the motor car or the motor bicycle and the insurance amounts of the borrowers form the security to the advance in case the borrower has insured his life in the Official or Public Branch of the Mysore Government Insurance Department.

(2) The advance be recovered by deduction in monthly instalments of a sum equal to 1/6th part of the pay (as against 1/9th as hitherto) from the salary bill of the Government servant concerned.

(3) The vehicle so purchased must be insured in the Mysore Government Insurance Department against loss by fire, theft or accident, in accordance with the procedure laid down below :—

(*a*) Where the vehicle is not more than 10 years' old, it should be covered by a comprehensive risk policy.

(*b*) In case the vehicle is not eligible for comprehensive risk cover on account of its age, it should be insured against fire and theft in addition to third party insurance.

(*c*) Insurance policies at a reduced rate of premium may, however, be accepted as adequate in the case of motor cars or bicycles where—

(i) the owner of the vehicle undertakes to meet the first Rs. 50 of a claim preferred against the Insurance Department in the event of an accident or,

(ii) where the vehicle is not insured against accident for any season of the year during which it is not in use but is stored in a garage.

(*d*) Such insurance should be effected within one month from the date of purchase of the conveyance, and the fact intimated to the Accountant General who will obtain from the Government servant drawing the advance a letter (*in the form hereinafter prescribed*) addressed to the Insurance Department with which the vehicle is insured to notify the fact that Government is interested in the insurance policy secured. He will then forward the letter to the Department and obtain its acknowledgment. In the case of insurance effected on annual basis, the process should be repeated every year until the advance is fully repaid to Government.

(*e*) Contravention of these rules will render the Government servant liable to refund the whole of advance drawn with interest accrued thereon unless satisfactory reason is shown to the contrary. The amount for which the conveyance is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount so due is completely repaid. If at any time and for any reason, the amount insured under a current policy is less than the outstanding balance of the advance, including interest already accrued, the Government servant should refund the difference to Government. The amount to be refunded must be recovered in not more than three monthly instalments.

The foregoing rules will apply to cases of advances sanctioned hereafter.

Necessary amendment to Mysore Financial Code, Volume I, will issue separately.

N. MADHAVA RAO,
Secretary to Government,
Finance Department.